

16 AUG 1958

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Proposed Certificate of Merit with Distinction

This memorandum contains recommendations by the CIA Career Council submitted for Director of Central Intelligence approval. Such recommendations are contained in paragraph 4.

1. PROBLEM

To create a mechanism whereby outstanding performance of duty or the acceptance of hazardous situations may be recognized by monetary rewards.

2. FACTS

a. The Government Employees' Incentive Awards Act (Public Law No. 763, Title III), effective 30 November 1954, provides the basis by which all civilian incentive awards - suggestion, honor and merit - are to be administered throughout the Government.

(1) Section 304.(a) states, "The head of each department is authorized to pay cash awards to, and to incur necessary expenses for the honorary recognition of, civilian officers and employees of the Government who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy, or other improvement of Government operations or who perform special acts or services in the public interest in connection with or related to their official employment."

(2) Section 304.(g) provides that a department or Agency head may pay an award up to and including \$5,000 without the approval of the Civil Service Commission. Above \$5,000 and up to \$25,000 the award may be made "with the approval of the Civil Service Commission upon certification to the Commission . . . that the award is for highly exceptional and unusually outstanding . . . suggestion, invention, superior accomplishment or other meritorious effort."

(3) Section 305.(a) repeals the authority to make in-grade step-increases for incentive awards for meritorious performance.

b. The CIA Honor Awards Program comes within the purview of the Incentive Awards Act and has been placed under the general jurisdiction of the Deputy Director (Support). It is administered by the Honor Awards Board with the Director of Personnel serving as its permanent chairman. Members of the Board are appointed annually by the Director.

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3. DISCUSSION

a. Experience in the Agency has shown the need for recognizing the services of employees and persons associated with CIA who are called upon to face unusual and unavoidable hazards in the performance of their assignments. The CIA Career Council has made exhaustive studies of the problem of hazardous duty pay and concludes, on the basis of its studies and on the expert advice of the military services, that a system of hazardous duty pay is not advisable for CIA because of the difficulties involved in the administration and the numerous unavoidable inequities which would occur. Hazardous duty pay involves a decision before the event that a hazard will be involved in carrying out the duties of the job. Recognition of outstanding performance, including the acceptance of demonstrated hazard, is based upon a review after the event of the circumstances and activities involved and permits appropriate selectivity in granting this type of award. Such a program could be administered on a basis that would be equitable for all concerned.

b. The Certificate of Merit for superior performance of duty is accompanied by a honorarium fixed at \$100, and is the only award within the reach of the great body of employees in the Agency. It was originally designed for junior personnel, up to grade GS-10. The level was subsequently raised to include GS-14. However, the Certificate of Merit has not been used as widely as intended - only 12 have been approved since 1956. There appears to exist a psychological barrier to using this certificate, probably because it is linked to the traditional concept of "an Honor Award with medal and ribbon". Emphasizing the merit aspect, as well as the honor aspect, of the program may break down this barrier and the Honor Awards Board could be renamed the Honor and Merit Awards Board.

c. There is a need in the Agency for an additional award accompanied by a varying honorarium to permit recognition of superior performance or service under unusual conditions which is clearly above the scope of the existing Certificate of Merit but does not justify the Intelligence Medal of Merit. This award could be known as the Certificate of Merit with Distinction, for outstanding performance of duty, and could be accompanied by an honorarium of from \$200 to \$5000. By the use of these two certificates for the recognition of performance at different levels, the Agency establishes a merit as well as an honor awards program, and it is believed that this will stimulate wider use of the existing Certificate of Merit for superior performance of duty at the junior level.

d. The Honor and Merit Awards Board will recommend to the Director in all cases the amount of the honorarium to accompany the Certificate of Merit with Distinction. The following general principles will be considered by the Board as guidelines for the determination of the amount of the honorarium.

- (1) For superior performance or acceptance of hazardous situations for a period of less than one year the honorarium will be rounded off

to the equivalent of approximately 25 percent of the base pay of the individual for the period involved.

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(2) For superior performance or acceptance of hazardous situations for a very short or very lengthy period, the Board will make its recommendations with respect to amount of honorarium based on existing circumstances and consistent with precedent.

(3) When two or more persons jointly participate in a hazardous situation for which the Certificate of Merit with Distinction is being awarded, they will each receive the same honorarium, the governing principle being that monetary distinctions according to grade level are not made in the reward of valor. The Board will make its recommendations consistent with precedent.

(4) For consideration of awards involving operational activities of a sensitive nature the Chairman of the Honor and Merit Awards Board will designate the appropriate two members or alternates of the Honor and Merit Awards Board to join with him in making recommendations to the Director of Central Intelligence without further reference to the Board as a whole.

4. RECOMMENDATIONS

It is recommended that:

- a. The Honor Awards Board be renamed the Honor and Merit Awards Board.
- b. A Certificate of Merit with Distinction be established and that this certificate be accompanied by a honorarium which will in no case exceed \$5,000.

/s/ Gordon M. Stewart

GORDON M. STEWART
Chairman
CIA Career Council

The recommendation in paragraph 4 is approved.

Signed

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Director

Date

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